

# AUTHORITY FAQ

1/18/2019

## **What is an Authority?**

The Authority is a legally recognized entity, formed by agreement of two or more municipalities to manage and operate solid waste management programs. The enabling legislation was created long ago for trash collection and disposal. The most common and current Authority purposes focus on recycling and landfill diversion. The proposed Washtenaw Regional Resource Management Authority (WRRMA) plans to follow that trend by focusing on landfill diversion and moving towards zero waste.

## **Who has been involved in the process?**

Representatives from Ann Arbor Township, the City of Ann Arbor, the City of Dexter, Pittsfield Charter Township, the City of Saline, the Township of Scio, the City of Ypsilanti, and the Charter Township of Ypsilanti have been engaged in drafting the Articles of Incorporation.

## **How did this process start?**

The process grew out of regional stakeholder meetings where members expressed desire for greater regional recycling collaboration. Representatives from eight communities (above) have met monthly from May-November to discuss the goals, objectives, and benefits of forming an Authority.

## **What is the vision for the Authority?**

The Authority's members create the vision. The stakeholders have expressed a strong desire to increase the quantity and quality of the recycling stream first, with a desire to move closer to zero waste over the long-term.

First steps will include tracking materials to create a baseline for comparison, inserting language into contracts to allow for collective contracting (discussed below), and improving the quality and quantity of recycling streams through education and outreach. There is consensus among members to create additional drop-off stations where members could bring recycling, and potentially household hazardous waste, tires, electronics, etc. After recycling streams have been improved, the Authority hopes to attract a private partnership for the development and operation of a MRF (Materials Recovery Facility).

## **What are the benefits of an Authority?**

Authorities may take advantage of economies of scale to improve and increase service levels, lower costs, or both. There are more than a dozen such authorities in Michigan, including WWRA (Western Washtenaw Recycling Authority), MMWA (Mid-Michigan Waste Authority), SOCRRA (South Oakland County Resource Recovery Authority), and RRRASOC (Resource Recovery and Recycling Authority of Southwest Oakland County). An authority can stretch dollars by eliminating duplication of educational efforts while providing a consistent message to authority residents. By collaborating and eventually aggregating the recycling streams of Authority members, it sends a signal to private industry that the region is serious about waste diversion. In formation meetings, stakeholders agreed to start with metrics and recycling education, then move towards expanding locations for collection and processing (attracting private industry for a MRF).

## **Why is solid waste or materials management included in the purview of the Authority?**

The Authority members have chosen to have the ability to manage multiple materials in order to decrease the amount being landfilled and take advantage of potential costs savings.

Solid waste and materials management are broad terms. If the Authority is going to increase diversion through recycling from single-family residential homes, removing the recycling from the trash is a logical

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starting place. In order to create quality metrics, the Authority should have the ability to manage all aspects of the waste stream. Additionally, by collaboratively contracting trash hauling, Authority members can opt-in to a collective bid process. By collectively bidding, there are opportunities for cost savings. By enabling optimized routes and increasing purchase power, authorities can typically achieve decreased carbon emissions and reduced hauling costs.

## **How does the collaborative contracting process work?**

Please see the attached contracting sheet for a flow chart explaining the process.

## **What does it take to withdraw or leave the Authority?**

The withdrawing member must meet certain requirements stipulated by the Act. An Authority member will need to adopt and file a resolution from their board with certain language and within specified timeframes. Members cannot leave within 60 days of the resolution being passed or within 1 year of the end date on the most recently signed contract. For example, if the Authority's most recent contract lasts 5 years, a member could leave between years 0-4. Members who withdraw could become a customer of the authority (see "Who can be a Member" below).

## **What is the financial commitment?**

Members' financial commitment to the Authority are governed by its Articles of Incorporation. In short, however, they may incur liability to the Authority by contracting with it. They may also incur liability based on activities the Authority undertakes while they're a member, many of which are activities members are already undertaking on their own (e.g., education, collecting metrics, and contracting for hauling waste).

## **What support is Washtenaw County providing?**

Washtenaw County has provided staff support and funding through a SEMCOG grant to facilitate the authority formation process. During the first year, stakeholders have expressed a strong desire to work on education to increase the quality and quantity of the recycling streams, as well as develop metrics for tracking material volumes. During the first year, small contributions (\$5,000 per community for 2019) will be pooled to create educational materials and create outreach activities. The Washtenaw County Board of Public Works has approved a match of the initial contribution and anticipates supporting future activities commensurate with anticipated impact. Washtenaw County has expressed a willingness to help fund capital improvements and starter capital in the near-term, but not operational capital.

## **How will municipalities pay for the services of an Authority?**

The Authority is being created under PA 179. Unlike other acts that can form an authority, PA 179 has no taxing authority. It will be funded by revenues from contracts it enters, funds provided by its members, and start-up support from the County. Any costs that Authority Members vote on and approve will be under the control of each individual member for how to pay their share of expenditures.

## **How do the finances work?**

In the initial year, each member will contribute \$5,000, which will support administration and initial projects. The County will match the initial contribution up to \$5,000 for each member. Contributions in future years will be determined through the annual budget and reflect the scope of the Authority's undertakings. The Authority will create a budget each October send it to their respective governing bodies for objections. Objections received by Dec 1<sup>st</sup> will be addressed in the Authority's December

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meeting, prior to approval of the budget. A brief annual report will accompany the proposed budget in October.

Single expenditures greater than \$5,000 for any member require approval of the respective member's governing body.

## **What does it take to amend the articles?**

It will take approval from **every** Authority board member and their respective board or council to amend the articles.

## **How does the voting structure work?**

Each member gets one vote. A simple majority may take routine actions. However, an at least 2/3<sup>rd</sup>s (rounded up if 2/3<sup>rd</sup>s isn't met) vote is required for monetary expenditures beyond routine operating costs.

## **Who can be a member of the Authority?**

Municipalities (cities, villages, and townships) can choose to be initial Constituent Members of the Authority. After the Authority is established, additional municipalities can request to become a member, but the Authority will need to decide whether or not to accept any new members. Adding a member requires amending the articles, which will require approval from every Authority member's respective legislative body. New members will also have to pay for their share of equity to "catch up." In the beginning, these costs will be minimal, if existent. Long term, these costs become prohibitively expensive, and new members are more likely to be "customers" of the Authority, for which they pay a premium relative to members of the Authority.

The law stipulates that municipalities can be members. Washtenaw County and universities are not allowed to be members of the authority. They may be customers of the Authority, contract with the Authority, and contribute to/benefit from the activities of the Authority, but they are not allowed to be a member and therefore have no voting power.

## **How does WWRA factor into this effort?**

Authority members have expressed a desire to work collaboratively with WWRA after forming.